quarter its supplementary leverage ratio and the components thereof (that is, tier 1 capital and total leverage exposure) as calculated under subpart B of this part beginning with the calendar quarter immediately following the quarter in which the national bank or Federal savings association becomes an advanced approaches national bank or Federal savings association. This disclosure requirement applies without regard to whether the national bank or Federal savings association has completed the parallel run process and has received notification from the OCC pursuant to § 3.121(d).

[78 FR 62157, 62273, Oct. 11, 2013, as amended at 79 FR 57743, Sept. 26, 2014; 80 FR 41417, July 15, 2015]

## § 3.173 Disclosures by certain advanced approaches national banks or Federal savings associations.

(a)(1) An advanced approaches national bank or Federal savings association described in § 3.172(b) must make the disclosures described in Tables 1 through 12 to § 3.173.

(2) An advanced approaches national bank or Federal savings association that is required to publicly disclose its supplementary leverage ratio pursuant to § 3.172(d) must make the disclosures required under Table 13 to § 3.173, unless the national bank or Federal savings association is a consolidated subsidiary of a bank holding company, savings and loan holding company, or depository institution that is subject to these disclosures requirements or a subsidiary of a non-U.S. banking organization that is subject to comparable public disclosure requirements in its home jurisdiction.

(3) The disclosures described in Tables 1 through 12 to § 3.173 must be made publicly available for twelve consecutive quarters beginning on January 1, 2014, or a shorter period, as applicable, for the quarters after the national bank or Federal savings association has completed the parallel run process and received notification from the OCC pursuant to § 3.121(d). The disclosures described in Table 13 to § 3.173 must be made publicly available for twelve consecutive quarters beginning on January 1, 2015, or a shorter period, as applicable, for the quarters after the national bank or Federal savings association becomes subject to the disclosure of the supplementary leverage ratio pursuant to §§ 3.172(d) and 3.173(a)(2).

TABLE 1 TO § 3.173—SCOPE OF APPLICATION

| | | |
|---|---|---|
| Qualitative disclosures | (a) | The name of the top corporate entity in the group to which subpart E of this part applies. |
| | (b) | A brief description of the differences in the basis for consolidating entities[1] for accounting and regulatory purposes, with a description of those entities:<br>(1) That are fully consolidated;<br>(2) That are deconsolidated and deducted from total capital;<br>(3) For which the total capital requirement is deducted; and<br>(4) That are neither consolidated nor deducted (for example, where the investment in the entity is assigned a risk weight in accordance with this subpart). |
| | (c) | Any restrictions, or other major impediments, on transfer of funds or total capital within the group. |
| Quantitative disclosures | (d) | The aggregate amount of surplus capital of insurance subsidiaries included in the total capital of the consolidated group. |
| | (e) | The aggregate amount by which actual total capital is less than the minimum total capital requirement in all subsidiaries, with total capital requirements and the name(s) of the subsidiaries with such deficiencies. |

[1] Such entities include securities, insurance and other financial subsidiaries, commercial subsidiaries (where permitted), and significant minority equity investments in insurance, financial and commercial entities.

TABLE 2 TO § 3.173—CAPITAL STRUCTURE

| | | |
|---|---|---|
| Qualitative disclosures | (a) | Summary information on the terms and conditions of the main features of all regulatory capital instruments. |
| Quantitative disclosures | (b) | The amount of common equity tier 1 capital, with separate disclosure of:<br>(1) Common stock and related surplus;<br>(2) Retained earnings; |

TABLE 2 TO §3.173—CAPITAL STRUCTURE—Continued

| | | |
|---|---|---|
| | | (3) Common equity minority interest;<br>(4) AOCI (net of tax) and other reserves; and<br>(5) Regulatory adjustments and deductions made to common equity tier 1 capital. |
| | (c) | The amount of tier 1 capital, with separate disclosure of:<br>(1) Additional tier 1 capital elements, including additional tier 1 capital instruments and tier 1 minority interest not included in common equity tier 1 capital; and<br>(2) Regulatory adjustments and deductions made to tier 1 capital. |
| | (d) | The amount of total capital, with separate disclosure of:<br>(1) Tier 2 capital elements, including tier 2 capital instruments and total capital minority interest not included in tier 1 capital; and<br>(2) Regulatory adjustments and deductions made to total capital. |

TABLE 3 TO §3.173—CAPITAL ADEQUACY

| | | |
|---|---|---|
| Qualitative disclosures | (a) | A summary discussion of the national bank's or Federal savings association's approach to assessing the adequacy of its capital to support current and future activities. |
| Quantitative disclosures | (b) | Risk-weighted assets for credit risk from:<br>(1) Wholesale exposures;<br>(2) Residential mortgage exposures;<br>(3) Qualifying revolving exposures;<br>(4) Other retail exposures;<br>(5) Securitization exposures;<br>(6) Equity exposures:<br>(7) Equity exposures subject to the simple risk weight approach; and<br>(8) Equity exposures subject to the internal models approach. |
| | (c) | Standardized market risk-weighted assets and advanced market risk-weighted assets as calculated under subpart F of this part:<br>(1) Standardized approach for specific risk; and<br>(2) Internal models approach for specific risk. |
| | (d) | Risk-weighted assets for operational risk. |
| | (e) | Common equity tier 1, tier 1 and total risk-based capital ratios:<br>(1) For the top consolidated group; and<br>(2) For each depository institution subsidiary. |
| | (f) | Total risk-weighted assets. |

TABLE 4 TO §3.173—CAPITAL CONSERVATION AND COUNTERCYCLICAL CAPITAL BUFFERS

| | | |
|---|---|---|
| Qualitative disclosures | (a) | The national bank or Federal savings association must publicly disclose the geographic breakdown of its private sector credit exposures used in the calculation of the countercyclical capital buffer. |
| Quantitative disclosures | (b) | At least quarterly, the national bank or Federal savings association must calculate and publicly disclose the capital conservation buffer and the countercyclical capital buffer as described under §3.11 of subpart B. |
| | (c) | At least quarterly, the national bank or Federal savings association must calculate and publicly disclose the buffer retained income of the national bank or Federal savings association, as described under §3.11 of subpart B. |
| | (d) | At least quarterly, the national bank or Federal savings association must calculate and publicly disclose any limitations it has on distributions and discretionary bonus payments resulting from the capital conservation buffer and the countercyclical capital buffer framework described under §3.11 of subpart B, including the maximum payout amount for the quarter. |

(b) *General qualitative disclosure requirement*. For each separate risk area described in Tables 5 through 12 to §3.173, the national bank or Federal savings association must describe its risk management objectives and policies, including:

(1) Strategies and processes;

(2) The structure and organization of the relevant risk management function;

(3) The scope and nature of risk reporting and/or measurement systems; and

(4) Policies for hedging and/or mitigating risk and strategies and processes for monitoring the continuing effectiveness of hedges/mitigants.

TABLE 5[1] TO § 3.173—CREDIT RISK: GENERAL DISCLOSURES

| | | |
|---|---|---|
| Qualitative disclosures | (a) | The general qualitative disclosure requirement with respect to credit risk (excluding counterparty credit risk disclosed in accordance with Table 7 to § 3.173), including:<br>(1) Policy for determining past due or delinquency status;<br>(2) Policy for placing loans on nonaccrual;<br>(3) Policy for returning loans to accrual status;<br>(4) Definition of and policy for identifying impaired loans (for financial accounting purposes).<br>(5) Description of the methodology that the entity uses to estimate its allowance for loan and lease losses, including statistical methods used where applicable;<br>(6) Policy for charging-off uncollectible amounts; and<br>(7) Discussion of the national bank's or Federal savings association's credit risk management policy |
| Quantitative disclosures | (b) | Total credit risk exposures and average credit risk exposures, after accounting offsets in accordance with GAAP,[2] without taking into account the effects of credit risk mitigation techniques (for example, collateral and netting not permitted under GAAP), over the period categorized by major types of credit exposure. For example, national banks or Federal savings associations could use categories similar to that used for financial statement purposes. Such categories might include, for instance:<br>(1) Loans, off-balance sheet commitments, and other non-derivative off-balance sheet exposures;<br>(2) Debt securities; and<br>(3) OTC derivatives. |
| | (c) | Geographic[3] distribution of exposures, categorized in significant areas by major types of credit exposure. |
| | (d) | Industry or counterparty type distribution of exposures, categorized by major types of credit exposure. |
| | (e) | By major industry or counterparty type:<br>(1) Amount of impaired loans for which there was a related allowance under GAAP;<br>(2) Amount of impaired loans for which there was no related allowance under GAAP;<br>(3) Amount of loans past due 90 days and on nonaccrual;<br>(4) Amount of loans past due 90 days and still accruing;[4]<br>(5) The balance in the allowance for loan and lease losses at the end of each period, disaggregated on the basis of the entity's impairment method. To disaggregate the information required on the basis of impairment methodology, an entity shall separately disclose the amounts based on the requirements in GAAP; and<br>(6) Charge-offs during the period. |
| | (f) | Amount of impaired loans and, if available, the amount of past due loans categorized by significant geographic areas including, if practical, the amounts of allowances related to each geographical area,[5] further categorized as required by GAAP. |
| | (g) | Reconciliation of changes in ALLL.[6] |
| | (h) | Remaining contractual maturity breakdown (for example, one year or less) of the whole portfolio, categorized by credit exposure. |

[1] Table 5 to § 3.173 does not cover equity exposures, which should be reported in Table 9.
[2] *See,* for example, ASC Topic 815–10 and 210–20 as they may be amended from time to time.
[3] Geographical areas may comprise individual countries, groups of countries, or regions within countries. A national bank or Federal savings association might choose to define the geographical areas based on the way the company's portfolio is geographically managed. The criteria used to allocate the loans to geographical areas must be specified.
[4] A national bank or Federal savings association is encouraged also to provide an analysis of the aging of past-due loans.
[5] The portion of the general allowance that is not allocated to a geographical area should be disclosed separately.
[6] The reconciliation should include the following: A description of the allowance; the opening balance of the allowance; charge-offs taken against the allowance during the period; amounts provided (or reversed) for estimated probable loan losses during the period; any other adjustments (for example, exchange rate differences, business combinations, acquisitions and disposals of subsidiaries), including transfers between allowances; and the closing balance of the allowance. Charge-offs and recoveries that have been recorded directly to the income statement should be disclosed separately.

TABLE 6 TO § 3.173—CREDIT RISK: DISCLOSURES FOR PORTFOLIOS SUBJECT TO IRB RISK-BASED CAPITAL FORMULAS

| | | |
|---|---|---|
| Qualitative disclosures | (a) | Explanation and review of the:<br>(1) Structure of internal rating systems and if the national bank or Federal savings association considers external ratings, the relation between internal and external ratings; |

TABLE 6 TO § 3.173—CREDIT RISK: DISCLOSURES FOR PORTFOLIOS SUBJECT TO IRB RISK-BASED CAPITAL FORMULAS—Continued

| | | |
|---|---|---|
| | | (2) Use of risk parameter estimates other than for regulatory capital purposes;<br>(3) Process for managing and recognizing credit risk mitigation (see Table 8 to § 3.173); and<br>(4) Control mechanisms for the rating system, including discussion of independence, accountability, and rating systems review. |
| | (b) | Description of the internal ratings process, provided separately for the following:<br>(1) Wholesale category;<br>(2) Retail subcategories;<br>(i) Residential mortgage exposures;<br>(ii) Qualifying revolving exposures; and<br>(iii) Other retail exposures.<br>For each category and subcategory above the description should include:<br>(A) The types of exposure included in the category/subcategories; and<br>(B) The definitions, methods and data for estimation and validation of PD, LGD, and EAD, including assumptions employed in the derivation of these variables.[1] |
| Quantitative disclosures: risk assessment. | (c) | (1) For wholesale exposures, present the following information across a sufficient number of PD grades (including default) to allow for a meaningful differentiation of credit risk:[2]<br>(i) Total EAD;[3]<br>(ii) Exposure-weighted average LGD (percentage);<br>(iii) Exposure-weighted average risk weight; and<br>(iv) Amount of undrawn commitments and exposure-weighted average EAD including average drawdowns prior to default for wholesale exposures.<br>(2) For each retail subcategory, present the disclosures outlined above across a sufficient number of segments to allow for a meaningful differentiation of credit risk. |
| Quantitative disclosures: historical results. | (d) | Actual losses in the preceding period for each category and subcategory and how this differs from past experience. A discussion of the factors that impacted the loss experience in the preceding period—for example, has the national bank or Federal savings association experienced higher than average default rates, loss rates or EADs. |
| | (e) | The national bank's or Federal savings association's estimates compared against actual outcomes over a longer period.[4] At a minimum, this should include information on estimates of losses against actual losses in the wholesale category and each retail subcategory over a period sufficient to allow for a meaningful assessment of the performance of the internal rating processes for each category/subcategory.[5] Where appropriate, the national bank or Federal savings association should further decompose this to provide analysis of PD, LGD, and EAD outcomes against estimates provided in the quantitative risk assessment disclosures above.[6] |

[1] This disclosure item does not require a detailed description of the model in full—it should provide the reader with a broad overview of the model approach, describing definitions of the variables and methods for estimating and validating those variables set out in the quantitative risk disclosures below. This should be done for each of the four category/subcategories. The national bank or Federal savings association must disclose any significant differences in approach to estimating these variables within each category/subcategories.

[2] The PD, LGD and EAD disclosures in Table 6 (c) to § 3.173 should reflect the effects of collateral, qualifying master netting agreements, eligible guarantees and eligible credit derivatives as defined under this part. Disclosure of each PD grade should include the exposure-weighted average PD for each grade. Where a national bank or Federal savings association aggregates PD grades for the purposes of disclosure, this should be a representative breakdown of the distribution of PD grades used for regulatory capital purposes.

[3] Outstanding loans and EAD on undrawn commitments can be presented on a combined basis for these disclosures.

[4] These disclosures are a way of further informing the reader about the reliability of the information provided in the "quantitative disclosures: Risk assessment" over the long run. The disclosures are requirements from year-end 2010; in the meantime, early adoption is encouraged. The phased implementation is to allow a national bank or Federal savings association sufficient time to build up a longer run of data that will make these disclosures meaningful.

[5] This disclosure item is not intended to be prescriptive about the period used for this assessment. Upon implementation, it is expected that a national bank or Federal savings association would provide these disclosures for as long a set of data as possible—for example, if a national bank or Federal savings association has 10 years of data, it might choose to disclose the average default rates for each PD grade over that 10-year period. Annual amounts need not be disclosed.

[6] A national bank or Federal savings association must provide this further decomposition where it will allow users greater insight into the reliability of the estimates provided in the "quantitative disclosures: Risk assessment." In particular, it must provide this information where there are material differences between its estimates of PD, LGD or EAD compared to actual outcomes over the long run. The national bank or Federal savings association must also provide explanations for such differences.

TABLE 7 TO § 3.173—GENERAL DISCLOSURE FOR COUNTERPARTY CREDIT RISK OF OTC DERIVATIVE CONTRACTS, REPO-STYLE TRANSACTIONS, AND ELIGIBLE MARGIN LOANS

| | | |
|---|---|---|
| Qualitative Disclosures | (a) | The general qualitative disclosure requirement with respect to OTC derivatives, eligible margin loans, and repo-style transactions, including:<br>(1) Discussion of methodology used to assign economic capital and credit limits for counterparty credit exposures;<br>(2) Discussion of policies for securing collateral, valuing and managing collateral, and establishing credit reserves;<br>(3) Discussion of the primary types of collateral taken;<br>(4) Discussion of policies with respect to wrong-way risk exposures; and<br>(5) Discussion of the impact of the amount of collateral the national bank or Federal savings association would have to provide if the national bank or Federal savings association were to receive a credit rating downgrade. |
| Quantitative Disclosures | (b) | Gross positive fair value of contracts, netting benefits, netted current credit exposure, collateral held (including type, for example, cash, government securities), and net unsecured credit exposure.[1] Also report measures for EAD used for regulatory capital for these transactions, the notional value of credit derivative hedges purchased for counterparty credit risk protection, and, for national banks or Federal savings associations not using the internal models methodology in § 3.132(d) , the distribution of current credit exposure by types of credit exposure.[2] |
| | (c) | Notional amount of purchased and sold credit derivatives, segregated between use for the national bank's or Federal savings association's own credit portfolio and for its intermediation activities, including the distribution of the credit derivative products used, categorized further by protection bought and sold within each product group. |
| | (d) | The estimate of alpha if the national bank or Federal savings association has received supervisory approval to estimate alpha. |

[1] Net unsecured credit exposure is the credit exposure after considering the benefits from legally enforceable netting agreements and collateral arrangements, without taking into account haircuts for price volatility, liquidity, etc.
[2] This may include interest rate derivative contracts, foreign exchange derivative contracts, equity derivative contracts, credit derivatives, commodity or other derivative contracts, repo-style transactions, and eligible margin loans.

TABLE 8 TO § 3.173—CREDIT RISK MITIGATION [1 2]

| | | |
|---|---|---|
| Qualitative disclosures | (a) | The general qualitative disclosure requirement with respect to credit risk mitigation, including:<br>(1) Policies and processes for, and an indication of the extent to which the national bank or Federal savings association uses, on- or off-balance sheet netting;<br>(2) Policies and processes for collateral valuation and management;<br>(3) A description of the main types of collateral taken by the national bank or Federal savings association;<br>(4) The main types of guarantors/credit derivative counterparties and their creditworthiness; and<br>(5) Information about (market or credit) risk concentrations within the mitigation taken. |
| Quantitative disclosures | (b) | For each separately disclosed portfolio, the total exposure (after, where applicable, on- or off-balance sheet netting) that is covered by guarantees/credit derivatives. |

[1] At a minimum, a national bank or Federal savings association must provide the disclosures in Table 8 in relation to credit risk mitigation that has been recognized for the purposes of reducing capital requirements under this subpart. Where relevant, national banks or Federal savings associations are encouraged to give further information about mitigants that have not been recognized for that purpose.
[2] Credit derivatives and other credit mitigation that are treated for the purposes of this subpart as synthetic securitization exposures should be excluded from the credit risk mitigation disclosures (in Table 8 to § 3.173) and included within those relating to securitization (in Table 9 to § 3.173).

TABLE 9 TO § 3.173—SECURITIZATION

| | | |
|---|---|---|
| Qualitative disclosures | (a) | The general qualitative disclosure requirement with respect to securitization (including synthetic securitizations), including a discussion of: |

TABLE 9 TO § 3.173—SECURITIZATION—Continued

| | | |
|---|---|---|
| | | (1) The national bank's or Federal savings association's objectives for securitizing assets, including the extent to which these activities transfer credit risk of the underlying exposures away from the national bank or Federal savings association to other entities and including the type of risks assumed and retained with resecuritization activity; [1] |
| | | (2) The nature of the risks (e.g. liquidity risk) inherent in the securitized assets; |
| | | (3) The roles played by the national bank or Federal savings association in the securitization process [2] and an indication of the extent of the national bank's or Federal savings association's involvement in each of them; |
| | | (4) The processes in place to monitor changes in the credit and market risk of securitization exposures including how those processes differ for resecuritization exposures; |
| | | (5) The national bank's or Federal savings association's policy for mitigating the credit risk retained through securitization and resecuritization exposures; and |
| | | (6) The risk-based capital approaches that the national bank or Federal savings association follows for its securitization exposures including the type of securitization exposure to which each approach applies. |
| | (b) | A list of: |
| | | (1) The type of securitization SPEs that the national bank or Federal savings association, as sponsor, uses to securitize third-party exposures. The national bank or Federal savings association must indicate whether it has exposure to these SPEs, either on- or off-balance sheet; and |
| | | (2) Affiliated entities: |
| | | (i) That the national bank or Federal savings association manages or advises; and |
| | | (ii) That invest either in the securitization exposures that the national bank or Federal savings association has securitized or in securitization SPEs that the national bank or Federal savings association sponsors.[3] |
| | (c) | Summary of the national bank's or Federal savings association's accounting policies for securitization activities, including: |
| | | (1) Whether the transactions are treated as sales or financings; |
| | | (2) Recognition of gain-on-sale; |
| | | (3) Methods and key assumptions and inputs applied in valuing retained or purchased interests; |
| | | (4) Changes in methods and key assumptions and inputs from the previous period for valuing retained interests and impact of the changes; |
| | | (5) Treatment of synthetic securitizations; |
| | | (6) How exposures intended to be securitized are valued and whether they are recorded under subpart E of this part; and |
| | | (7) Policies for recognizing liabilities on the balance sheet for arrangements that could require the national bank or Federal savings association to provide financial support for securitized assets. |
| | (d) | An explanation of significant changes to any of the quantitative information set forth below since the last reporting period. |
| Quantitative disclosures | (e) | The total outstanding exposures securitized [4] by the national bank or Federal savings association in securitizations that meet the operational criteria in § 3.141 (categorized into traditional/synthetic), by underlying exposure type [5] separately for securitizations of third-party exposures for which the bank acts only as sponsor. |
| | (f) | For exposures securitized by the national bank or Federal savings association in securitizations that meet the operational criteria in § 3.141: |
| | | (1) Amount of securitized assets that are impaired [6]/past due categorized by exposure type; and |
| | | (2) Losses recognized by the national bank or Federal savings association during the current period categorized by exposure type.[7] |
| | (g) | The total amount of outstanding exposures intended to be securitized categorized by exposure type. |
| | (h) | Aggregate amount of: |
| | | (1) On-balance sheet securitization exposures retained or purchased categorized by exposure type; and |
| | | (2) Off-balance sheet securitization exposures categorized by exposure type. |

TABLE 9 TO §3.173—SECURITIZATION—Continued

| | | |
|---|---|---|
| | (i) | (1) Aggregate amount of securitization exposures retained or purchased and the associated capital requirements for these exposures, categorized between securitization and resecuritization exposures, further categorized into a meaningful number of risk weight bands and by risk-based capital approach (e.g. SA, SFA, or SSFA).<br>(2) Aggregate amount disclosed separately by type of underlying exposure in the pool of any:<br>(i) After-tax gain-on-sale on a securitization that has been deducted from common equity tier 1 capital: And<br>(ii) Credit-enhancing interest-only strip that is assigned a 1,250 percent risk weight. |
| | (j) | Summary of current year's securitization activity, including the amount of exposures securitized (by exposure type), and recognized gain or loss on sale by asset type. |
| | (k) | Aggregate amount of resecuritization exposures retained or purchased categorized according to:<br>(1) Exposures to which credit risk mitigation is applied and those not applied; and<br>(2) Exposures to guarantors categorized according to guarantor creditworthiness categories or guarantor name. |

[1] The national bank or Federal savings association must describe the structure of resecuritizations in which it participates; this description must be provided for the main categories of resecuritization products in which the national bank or Federal savings association is active.

[2] For example, these roles would include originator, investor, servicer, provider of credit enhancement, sponsor, liquidity provider, or swap provider.

[3] For example, money market mutual funds should be listed individually, and personal and private trusts, should be noted collectively.

[4] "Exposures securitized" include underlying exposures originated by the bank, whether generated by them or purchased, and recognized in the balance sheet, from third parties, and third-party exposures included in sponsored transactions. Securitization transactions (including underlying exposures originally on the bank's balance sheet and underlying exposures acquired by the bank from third-party entities) in which the originating bank does not retain any securitization exposure should be shown separately but need only be reported for the year of inception.

[5] A national bank or Federal savings association is required to disclose exposures regardless of whether there is a capital charge under this part.

[6] A national bank or Federal savings association must include credit-related other than temporary impairment (OTTI).

[7] For example, charge-offs/allowances (if the assets remain on the bank's balance sheet) or credit-related OTTI of I/O strips and other retained residual interests, as well as recognition of liabilities for probable future financial support required of the bank with respect to securitized assets.

TABLE 10 TO §3.173—OPERATIONAL RISK

| | | |
|---|---|---|
| Qualitative disclosures | (a) | The general qualitative disclosure requirement for operational risk. |
| | (b) | Description of the AMA, including a discussion of relevant internal and external factors considered in the national bank's or Federal savings association's measurement approach. |
| | (c) | A description of the use of insurance for the purpose of mitigating operational risk. |

TABLE 11 TO §3.173—EQUITIES NOT SUBJECT TO SUBPART F OF THIS PART

| | | |
|---|---|---|
| Qualitative disclosures | (a) | The general qualitative disclosure requirement with respect to the equity risk of equity holdings not subject to subpart F of this part, including:<br>(1) Differentiation between holdings on which capital gains are expected and those held for other objectives, including for relationship and strategic reasons; and<br>(2) Discussion of important policies covering the valuation of and accounting for equity holdings not subject to subpart F of this part. This includes the accounting methodology and valuation methodologies used, including key assumptions and practices affecting valuation as well as significant changes in these practices. |
| Quantitative disclosures | (b) | Carrying value on the balance sheet of equity investments, as well as the fair value of those investments. |
| | (c) | The types and nature of investments, including the amount that is:<br>(1) Publicly traded; and<br>(2) Non-publicly traded. |
| | (d) | The cumulative realized gains (losses) arising from sales and liquidations in the reporting period. |
| | (e) | (1) Total unrealized gains (losses) [1]<br>(2) Total latent revaluation gains (losses) [2]<br>(3) Any amounts of the above included in tier 1 and/or tier 2 capital. |

TABLE 11 TO § 3.173—EQUITIES NOT SUBJECT TO SUBPART F OF THIS PART—Continued

| | | |
|---|---|---|
| | (f) | Capital requirements categorized by appropriate equity groupings, consistent with the national bank's or Federal savings association's methodology, as well as the aggregate amounts and the type of equity investments subject to any supervisory transition regarding total capital requirements.[3] |

[1] Unrealized gains (losses) recognized in the balance sheet but not through earnings.
[2] Unrealized gains (losses) not recognized either in the balance sheet or through earnings.
[3] This disclosure must include a breakdown of equities that are subject to the 0 percent, 20 percent, 100 percent, 300 percent, 400 percent, and 600 percent risk weights, as applicable.

TABLE 12 TO § 3.173—INTEREST RATE RISK FOR NON-TRADING ACTIVITIES

| | | |
|---|---|---|
| Qualitative disclosures | (a) | The general qualitative disclosure requirement, including the nature of interest rate risk for non-trading activities and key assumptions, including assumptions regarding loan prepayments and behavior of non-maturity deposits, and frequency of measurement of interest rate risk for non-trading activities. |
| Quantitative disclosures | (b) | The increase (decline) in earnings or economic value (or relevant measure used by management) for upward and downward rate shocks according to management's method for measuring interest rate risk for non-trading activities, categorized by currency (as appropriate). |

(c) Except as provided in § 3.172(b), a national bank or Federal savings association described in § 3.172(d) must make the disclosures described in Table 13 to § 3.173; provided, however, the disclosures required under this paragraph are required without regard to whether the national bank or Federal savings association has completed the parallel run process and has received notification from the OCC pursuant to § 3.121(d). The national bank or Federal savings association must make these disclosures publicly available beginning on January 1, 2015.

TABLE 13 TO § 3.173—SUPPLEMENTARY LEVERAGE RATIO

| | Dollar amounts in thousands | | | |
|---|---|---|---|---|
| | Tril | Bil | Mil | Thou |
| **Part 1: Summary comparison of accounting assets and total leverage exposure** | | | | |
| 1 Total consolidated assets as reported in published financial statements. | | | | |
| 2 Adjustment for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation. | | | | |
| 3 Adjustment for fiduciary assets recognized on balance sheet but excluded from total leverage exposure. | | | | |
| 4 Adjustment for derivative exposures. | | | | |
| 5 Adjustment for repo-style transactions. | | | | |
| 6 Adjustment for off-balance sheet exposures (that is, conversion to credit equivalent amounts of off-balance sheet exposures). | | | | |
| 7 Other adjustments. | | | | |
| 8 Total leverage exposure. | | | | |
| **Part 2: Supplementary leverage ratio** | | | | |
| **On-balance sheet exposures** | | | | |
| 1 On-balance sheet assets (excluding on-balance sheet assets for repo-style transactions and derivative exposures, but including cash collateral received in derivative transactions). | | | | |
| 2 LESS: Amounts deducted from tier 1 capital. | | | | |
| 3 Total on-balance sheet exposures (excluding on-balance sheet assets for repo-style transactions and derivative exposures, but including cash collateral received in derivative transactions) (sum of lines 1 and 2). | | | | |
| **Derivative exposures** | | | | |
| 4 Replacement cost for derivative exposures (that is, net of cash variation margin). | | | | |

TABLE 13 TO § 3.173—SUPPLEMENTARY LEVERAGE RATIO—Continued

| | Dollar amounts in thousands | | | |
|---|---|---|---|---|
| | Tril | Bil | Mil | Thou |
| 5 Add-on amounts for potential future exposure (PFE) for derivative exposures. | | | | |
| 6 Gross-up for cash collateral posted if deducted from the on-balance sheet assets, except for cash variation margin. | | | | |
| 7 LESS: Deductions of receivable assets for cash variation margin posted in derivative transactions, if included in on-balance sheet assets. | | | | |
| 8 LESS: Exempted CCP leg of client-cleared transactions. | | | | |
| 9 Effective notional principal amount of sold credit protection. | | | | |
| 10 LESS: Effective notional principal amount offsets and PFE adjustments for sold credit protection. | | | | |
| 11 Total derivative exposures (sum of lines 4 to 10). | | | | |
| **Repo-style transactions** | | | | |
| 12 On-balance sheet assets for repo-style transactions, except include the gross value of receivables for reverse repurchase transactions. Exclude from this item the value of securities received in a security-for-security repo-style transaction where the securities lender has not sold or re-hypothecated the securities received. Include in this item the value of securities that qualified for sales treatment that must be reversed. | | | | |
| 13 LESS: Reduction of the gross value of receivables in reverse repurchase transactions by cash payables in repurchase transactions under netting agreements. | | | | |
| 14 Counterparty credit risk for all repo-style transactions. | | | | |
| 15 Exposure for repo-style transactions where a banking organization acts as an agent. | | | | |
| 16 Total exposures for repo-style transactions (sum of lines 12 to 15). | | | | |
| **Other off-balance sheet exposures** | | | | |
| 17 Off-balance sheet exposures at gross notional amounts. | | | | |
| 18 LESS: Adjustments for conversion to credit equivalent amounts. | | | | |
| 19 Off-balance sheet exposures (sum of lines 17 and 18). | | | | |
| **Capital and total leverage exposure** | | | | |
| 20 Tier 1 capital. | | | | |
| 21 Total leverage exposure (sum of lines 3, 11, 16 and 19). | | | | |
| **Supplementary leverage ratio** | | | | |
| 22 Supplementary leverage ratio | (in percent) | | | |

[78 FR 62157, 62273, Oct. 11, 2013, as amended at 79 FR 57743, Sept. 26, 2014; 80 FR 41418, July 15, 2015]

### §§3.174–3.200 [Reserved]

## Subpart F—Risk-Weighted Assets—Market Risk

SOURCE: 78 FR 62157, 62273, Oct. 11, 2013, unless otherwise noted.

### § 3.201 Purpose, applicability, and reservation of authority.

(a) *Purpose*. This subpart F establishes risk-based capital requirements for national banks or Federal savings associations with significant exposure to market risk, provides methods for these national banks or Federal savings associations to calculate their standardized measure for market risk and, if applicable, advanced measure for market risk, and establishes public disclosure requirements.

(b) *Applicability*. (1) This subpart F applies to any national bank or Federal savings association with aggregate trading assets and trading liabilities (as reported in the national bank's or